

**Government of the District of Columbia  
Office of the Chief Financial Officer**

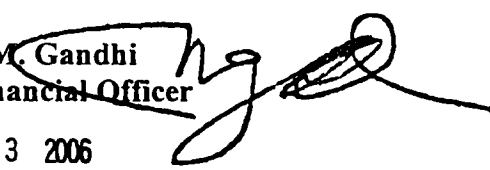


**Natwar M. Gandhi**  
Chief Financial Officer

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CHAIRMAN CROPP

**MEMORANDUM**

**TO:** The Honorable Linda W. Cropp  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi  
Chief Financial Officer 

**DATE:** JAN -3 2006

**SUBJECT:** Fiscal Impact Statement: "Uniform Environmental Covenants Act of 2005"

**REFERENCE:** Bill Number 16-147 as Introduced

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**Conclusion**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the provisions of the proposed legislation. The Environmental Health Administration (EHA) will be required to remain within its existing resources when implementing the provisions of the proposed resolution. No additional staff or resources will be required.

**Background**

The proposed legislation places land use restrictions, mandated environmental monitoring requirements, and engineering controls on certain real property. The property at issue is characterized as "brownfields." More often than not, such property is (whether real or perceived) contaminated, blighted and abandoned property. Owners of such property often find themselves in an economic quandary where the costs for required remediation prior to disposal is often greater than the net of proceeds from a sale. Meanwhile, public safety concerns arise and stagnant and undeveloped areas often put a burden on governmental resources and limit real property taxation.

The proposed legislation establishes regulations regarding brownfields and authorizes environmental covenants on the particular squares and lots. An environmental covenant is a specific recordable interest and must be the result of a particular federal or state program or approval for cleanup of the property, or closure of a waste management site. The proposed legislation requires periodic reporting, details the obligations for remediation, filing requirements and submission of plans. The proposed legislation details the authority of the covenants and the land use restrictions.

The proposed legislation requires EHA to establish a registry of brownfield properties in the District of Columbia, environmental covenants that are in force, and terminations of those covenants. In addition, the proposed legislation authorizes the use of land registration notices in lieu of the full covenant for recordation purposes once a termination is executed.

### **Financial Plan Impact**

Funds are sufficient in the FY 2006 through FY 2009 budget and financial plan to implement the proposed resolution. EHA will be required to remain within their existing resources when implementing the provisions of the proposed resolution. No additional staff or resources will be required.

Federal and local anti-deficiency laws<sup>1</sup> prohibit District officers and employees from exceeding agency appropriations in any fiscal year. If funding is available to absorb any additional costs, then the fiscal impact would be zero. For subsequent years, the additional expenditures must be included as budgeted expenditures.

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<sup>1</sup> Anti-deficiency laws 31 USC § 1341 (2000) and D.C. Official Code § 47-355.01 *et sequitor* (2003).